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Civilian Personnel

Civilian Personnel Living Quarters Allowance

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**\*This regulation supersedes AE Regulation 690-500.592, 17 October 2002.**

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For the CG, USAREUR/7A:

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**Summary.** This regulation prescribes policy for authorizing living quarters allowance (LQA) to appropriated-fund civilian employees in the European region.

**Summary of Change.** This revision--

- Revises program responsibilities of the Civilian Human Resource Management Agency (para 4a(1)).
- Revises LQA authorization for appropriated-fund employees (para 5a).
- Revises LQA authorization for local hires in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above (para 5a(2)).
- Revises LQA authorization for employees transferring to USAREUR-serviced positions from other overseas Government activities (para 5a(3)(c)).
- Revises LQA authorization for local hires in grades GS-08 (or equivalent), WG-10, WL-08, WS-04, and below who have been selected for identified hard-to-fill positions (para 5b(1)).
- Revises LQA authorization for individuals hired from the United States for identified hard-to-fill positions at all grade levels who do not meet the 1-year residency requirement in the United States (para 5b(2)).
- Revises the requirements for conversions from nonappropriated to appropriated-fund positions (para 5d).
- Revises conditions under which LQA for privately owned quarters (POQ) is authorized (para 6b(3)).
- Adds conditions under which LQA for inherited POQ is authorized (para 6b(4)).
- Adds the definition of appointments (glossary).

- Revises the definitions of hard-to-fill-position, local hire, and residency (glossary).
- Exempts employees on mandatory mobility agreements from the 1-year residency requirement for U.S. hires (glossary).
- Deletes appendix A, which provided procedures for identifying eligible hard-to-fill positions for LQA.

**Applicability.** This regulation applies to civilian employees who are serviced by USAREUR civilian personnel advisory centers and paid by the Defense Finance and Accounting Service, unless excluded under the terms of a civilian personnel servicing agreement. This regulation does not apply to employees in the Senior Executive Service.

**Supplementation.** Commanders will not supplement this regulation without USAREUR G1 (AEAGA-CE) approval.

**Forms.** AE and higher-level forms (printed and electronic) are available through the Army in Europe Publishing System (AEPUBS).

**Records Management.** Records created as a result of processes prescribed by this regulation must be identified, maintained, and disposed of according to AR 25-400-2. Record titles and descriptions are available on the Army Records Information Management System website at <https://www.arims.army.mil>.

**Suggested Improvements.** The proponent of this regulation is the USAREUR G1 (AEAGA-CE, DSN 375-2552). Users may suggest improvements to this regulation by sending DA Form 2028 to the USAREUR G1 (AEAGA-CE), Unit 29351, APO AE 09014-9351.

**Distribution.** C (AEPUBS).

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## Glossary

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### 1. PURPOSE

This regulation--

a. Implements policy for paying living quarters allowance (LQA) to appropriated fund (APF) civilian employees in the European theater, unless excluded under the terms of a civilian personnel servicing agreement. Employees authorized LQA must be--

(1) Serviced by the Civilian Human Resource Management Agency (CHRMA).

(2) Paid by the Defense Finance and Accounting Service (DFAS).

b. Will be used with the references in paragraphs 2a(1) and (2).

### 2. REFERENCES

#### a. Publications.

(1) Department of State Standardized Regulations (Government Civilians, Foreign Areas) (DSSR).

(2) DOD 1400.25-M, subchapter 1250, Overseas Allowances and Differentials.

(3) AR 25-400-2, The Army Records Information Management System (ARIMS).

**b. Forms.**

- (1) SF 1190, Foreign Allowances Application, Grant, and Report.
- (2) DA Form 2028, Recommended Changes to Publications and Blank Forms.

**3. EXPLANATION OF ABBREVIATIONS AND TERMS**

The glossary defines abbreviations and terms.

**4. PROGRAM ADMINISTRATION**

**a. Responsibilities.**

- (1) The CHRMA will--

- (a) Determine the employee's eligibility for LQA before the employee is appointed.
- (b) Give employees advice and assistance on how to complete SF 1190.

(c) Review the employee's SF 1190 to ensure the form is complete; then enter the information on the form into the Defense Civilian Personnel Data System for interface with the DFAS payroll system.

(d) Inform employees (in writing) that they must provide receipts for actual utility expenses within 15 months after occupying permanent quarters. CHRMA will suspend LQA payment if receipts are not submitted by established suspense dates.

- (2) Employees will--

(a) Provide CHRMA a copy of their rental or purchasing contract and estimates for utilities when they move into permanent quarters. Estimates may be based on previous occupant's expenses, the employee's expenses in similar quarters, or the costs paid by other employees who occupy similar quarters.

(b) Give CHRMA receipts for actual expenses for utilities within 15 months after occupying permanent quarters or have payment of LQA suspended ((1)(d) above).

(c) Make payments on time according to the contract with the landlord or property owner. Failure to do so may be grounds for terminating LQA and recouping the amount of LQA already paid. Nonpayment of obligations documented on SF 1190 while drawing LQA may be construed as misuse of LQA, depending on the circumstances. Proven misuse of LQA may result in adverse disciplinary action against the employee, to include separation from Federal service.

(3) DFAS will adjust LQA payments each pay period when changes are issued in DSSR maximum rates or foreign-currency-conversion rates.

**b. Changes in Payment Rates.** Except for changes generated by DFAS and CHRMA (for example, changes in exchange rates, DSSR maximum rates, post or quarters group), employees are responsible for promptly reporting changes in expenses or entitlement conditions (for example, change of residence, departure of family member, substantial change in expenses). Changes in expenses will be effective as stated in the DSSR and reimbursed according to DFAS regulations.

**c. Reconciliation of Expenses.** LQA payments are adjusted by DFAS for currency changes and changes in the U.S. State Department maximum rates published every 2 weeks. (The DSSR requirement for an annual reconciliation when an "even amount" payment system is used does not apply.)

**d. Government Quarters.** The employee will not be eligible to receive LQA for renting or purchasing privately owned quarters (POQ) when suitable and fully adequate Government quarters are offered and the employee elects not to accept them.

**5. ELIGIBILITY**

**a. LQA Authorization.** LQA will be granted for the following types of APF employees:

(1) U.S. hires in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above. This includes U.S. hires selected for entry-level positions with target grades GS-09 and above. Grade restrictions do not apply to applicants selected for career program positions below the GS-09 (or equivalent) level.

(2) Local-hire appointments to positions in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above. This includes local hires selected for entry-level positions with target grades of GS-09 and above. Grade restrictions do not apply to applicants selected for career-program positions below the GS-09 (or equivalent) level. Both of the following eligibility criteria must be met:

(a) Before being appointed, the employee was recruited in the United States by the U.S. Government, including its Armed Forces; a U.S. firm, organization, or interest; or an international organization in which the U.S. Government takes part.

(b) The employee has been in substantially continuous employment by one of the employers in (a) above under conditions that provided for the employee's return transportation to the United States.

**NOTE:** Former military members and civilian employees will be considered to have "substantially continuous employment" for up to 1 year after the date of separation; or until the initial transportation entitlement is lost or extended; or until the retired, separated member or employee uses a substantial portion (50 percent or more) of the entitlement for Government transportation back to the United States, whichever occurs first. Nonappropriated fund (NAF) employment will be considered in determining substantially continuous employment.

(3) Federal civilian employees (APF or NAF) selected for positions in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above who meet all of the following criteria:

(a) Are transferring to the European region from another overseas Government activity or agency without a break in service. Grade restrictions do not apply to Federal civilian employees transferring to positions identified as hard-to-fill.

(b) Meet basic eligibility criteria of DSSR, section 031.11 or 031.12.

(c) Were already receiving or eligible to receive LQA at the time of selection.

**NOTE:** This also applies to Federal civilian employees within the same Government activity or agency in the European theater who are reassigned to USAREUR-serviced positions in grades GS-09 (or equivalent), WG-11, WL-09, WS-05, and above. Grade restrictions do not apply to incumbents of career program positions below the GS-09 (or equivalent) level.

**b. Other Authorizations.** LQA will be granted for employees selected for identified hard-to-fill positions when they are either of the following:

(1) Local hires in grades GS-08 (or equivalent), WG-10, WL-08, WS-04, or below.

(2) Hired from the United States for identified hard-to-fill-positions at any grade and do not meet the 1-year residency requirement. These employees must have established permanent residency in the United States. Eligibility determinations will be made by CHRMA on a case-by-case basis.

**NOTE:** The basic eligibility criteria of DSSR, section 031.11 or 031.12, must be met. If an employee is receiving LQA solely based on occupying a hard-to-fill position, and leaves the hard-to-fill position, the employee's LQA will continue.

### **c. Hard-to-Fill Positions.**

**(1) Heads of Organizations.** Heads of organizations who believe they have hard-to-fill positions will send the USAREUR Civilian Personnel Operations Center (CPOC) a request to designate the position as hard-to-fill. These requests must be sent through the servicing civilian personnel advisory center (CPAC). The request must include detailed documentation that shows what efforts were made to fill the position and the results of those efforts during the 3 months before requesting that the position be designated as hard-to-fill. If the position is newly created or has no current recruitment record, the requester must say so, and documentation from similar positions in similar locations will be used to evaluate the position.

**(2) CPOC.** On receipt of the request, the CPOC will--

(a) Review the recruitment records and the requester's documentation.

(b) Return disapproved requests through the requester's CPAC to the requester if the position does not meet the required criteria for being designated as hard-to-fill. The reasons for disapproval will be included in the response to the requester.

(c) Approve those positions that meet the criteria for being designated as hard-to-fill and inform the Civilian Personnel Directorate (CPD), Office of the G1, HQ USAREUR/7A.

**(3) CPD.** The CPD will--

(a) Maintain a list of hard-to-fill positions and post the list on the CHRMA webpage at <http://www.chrma.hqusareur.army.mil> for general use.

(b) Review the list of hard-to-fill positions once every 2 years.

(c) In coordination with each CPAC, the CPOC, and the organization in which hard-to-fill positions are assigned, review all hard-to-fill positions to ensure that they still meet hard-to-fill criteria (glossary). The CHRMA will delete positions from the hard-to-fill list after CPD determines that the position is no longer hard to fill. Employees of positions that are deleted from the hard-to-fill list will continue to receive LQA.

**d. NAF-to-APF Conversions.** DOD full-time NAF employees who otherwise meet the conditions of subparagraph a above will be eligible for LQA.

**e. Waivers.**

**(1) Waiver of Collection of Erroneous Overpayment of LQA.** Employees may request a waiver of a claim against them for an erroneous LQA payment only if the employee has documented evidence that proves the erroneous payment was the result of an administrative error and there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the employee.

(a) Employees who wish to request a waiver may send their request to the Civilian Personnel Directorate, Office of the G1, HQ USAREUR/7A, Unit 29351, APO AE 09014-9351.

(b) The waiver may be granted only when the deficiency that led to the erroneous payment is based on regionally imposed requirements that are additional to those in the DSSR. To be considered for such a waiver, an employee must meet all DSSR and DOD eligibility criteria for LQA.

**(2) DOD Waiver Provisions.** The provisions of DOD 1400.25-M, chapter 1200, subchapter 1250, paragraph E.1.a.(2)(b), which grants waiver-approval authority to appointing officials under circumstances described in specific situations, will not be exercised in the European theater.

**(3) Other Conditions.** There are no other conditions under which requests for a waiver will be considered.

**f. Grandfather Provision.** The grandfather provision applies to all U.S. hires and locally hired employees who met the eligibility criteria under prevailing regulations at the time of selection, but do not meet the criteria of this regulation. To avoid adversely affecting these employees, their LQA will continue as long as they remain employed in a position covered by this regulation without a break in service of more than 3 days. This provision--

(1) Does not apply to certain former NAF employees who received LQA based solely on a local commander's waiver authority. These employees retained the allowance on employment in an APF position, but did not meet the eligibility requirement of DSSR or DOD regulations and subsequently had LQA terminated as mandated by the FY 96 Authorization Act.

(2) Will not extend or reinstate payment of LQA when termination of payment has been directed by law, regulation, or policy.

## 6. DETERMINING LQA RATES

**a. LQA for Rental Quarters.** Maximum LQA rates are issued by the Department of State. Changes are provided in periodic updates. The amount of entitlement is based on the employee's "post of assignment," grade, and number of family members residing with the employee. An employee who maintains and lives in quarters outside the boundary of his or her official post of assignment and commutes to work daily (documented in the Remarks block of SF 1190) will be granted the LQA rate appropriate to the specific post of assignment.

**b. LQA for POQ.** Employees eligible to receive LQA who purchase and reside in a home at the official post of assignment are entitled to receive the rental portion of the LQA equal to 10 percent of the purchase price for a maximum of 10 years. Employees who purchase and reside in a home outside the boundaries of their official post of assignment and commute to work daily will be granted the LQA rate appropriate to the specific post of assignment. Conversion of the purchase price to U.S. dollars will be at the local exchange rate in effect at the time of the purchase. Reimbursement will be equal to the maximum rate authorized by the DSSR or be based on the 10-percent computation plus expenses for heat, light, fuel (including gas and electricity), and water, whichever is less.

(1) After 10 years, the rental portion of the LQA will no longer be authorized, and the employee will be entitled to reimbursement only for utilities.

(2) An employee who owns or is buying a local residence, but moves out and keeps the property, is not eligible for LQA to rent another residence under a rental contract if the owned residence is within the employee's local area of work.

(3) An employee who sells his or her POQ, which had been purchased as described in (2) above, and then rents a residence is eligible for LQA under a rental contract. Employees who buy another POQ within the boundaries of their official post of assignment are not entitled to receive the rental portion of LQA for the additional POQ beyond the initial 10 years.

(4) LQA for an inherited POQ is restricted to reimbursement of substantiated actual costs incurred.

**c. Termination of LQA.** LQA will be terminated when any of the following dates apply:

(1) The day before temporary quarters subsistence allowance (TQSA) begins for an employee who is transferring within or leaving the overseas area, unless the CPAC approves a 5-day overlap for the employee to vacate quarters to meet lease requirements for cleaning and repair.

(2) The date the employee begins travel under transfer orders, or the effective date of the transfer when no travel is involved, whichever occurs first.

(3) The effective date of the employee's separation.

(4) The effective date of when the employee occupies Government quarters.

(5) The date the employee stops paying for quarters.

## 7. OTHER ALLOWANCES AND REIMBURSEMENTS

**a. TQSA.** TQSA is authorized for employees eligible for LQA who receive permanent change of station orders. Employees may receive TQSA for up to 90 days after arriving in the overseas area or new permanent duty station and up to 30 days immediately before final departure from the post of assignment. The amount of TQSA payable is a percentage of the per diem rate applicable to the post of assignment or actual cost, whichever is less. Per diem rates and percentage payable are established by the DSSR.

(1) CPAC personnel officers are authorized to approve TQSA for up to 90 days after the employee's date of arrival (or up to 30 days before the employee departs). Approved requests will be processed according to current procedures and DFAS requirements.

(2) CPAC personnel officers are authorized to approve continuation of TQSA for up to 60 days for compelling reasons beyond the employee's control. Documentation of the reasons will be placed in the TQSA file. Approved requests will be processed according to current procedures and DFAS requirements.

(3) When TQSA cannot be continued, it will be terminated after 90 days. On the 91st day, LQA will replace TQSA at the rate applicable to the post of assignment until permanent quarters are secured.

**NOTE:** TQSA reimburses the cost of lodging, meals, and incidental expenses. LQA reimburses only the cost of lodging.

(4) When TQSA ends, the employee will submit receipts (as required by DSSR) covering the full period of TQSA. The CPAC will then send the TQSA file to the USAREUR Civilian Personnel Operations Center, Unit 29150, APO AE 09100-9150, after processing according to current procedures and DFAS requirements.

**b. Separate Maintenance Allowance (SMA).** Requests for involuntary and voluntary SMA will be forwarded through the CPOC to CPD for determination.

(1) Involuntary SMA will be granted when an employee is compelled to maintain family members elsewhere than at the post of assignment because of adverse, dangerous, or notably unhealthy conditions.

(2) Requests for voluntary SMA must be based on a unique situation in which the Government or circumstances clearly beyond the employee's control leave the employee no choice but to separate from members of the household. Voluntary SMA will be granted only for the following:

(a) A short-term transitional situation based on school attendance of the employee's child at the time of the employee's transfer. These requests may be approved for the completion of the semester. If the child is a high-school senior, SMA will be approved for the entire school year. Children must be under the age of 18 or incapable of self-support, unless they are attending secondary school.

(b) Longer periods based on medical conditions of a family member. These requests must include complete documentation of the family member's medical condition.

**c. Lease Penalty.** Reimbursement for a lease penalty is authorized if an employee unavoidably incurs this penalty when transferring to a new duty assignment. Reimbursement will be limited to the amount specified by the rental contract signed by the employee or 3 month's rent, whichever is less. Reimbursement requests must include a statement that--

(1) The transfer was due solely to actions by the employing agency and to unusual conditions fully beyond the control of the employee. An example of an unusual condition for transfer beyond the employee's control is the establishment of a report date that is earlier than the lease termination-notification requirement. This may be in conjunction with the transfer under the DOD Priority Placement Program, which is a management-directed reassignment, unless (2) below applies.

(2) Termination of the lease and the employee's departure are not the result of any specific actions taken by the employee to curtail an assignment for a transfer or promotion.

(3) The employee promptly notified the landlord of the intent to terminate the lease after receiving an official notice of transfer.

(4) The employee took all reasonable steps to find a replacement tenant.

(5) Both the employee and the employing organization made reasonable efforts to avoid the lease penalty by delaying the employee's transfer.

**NOTE:** Only one member of a married working couple at the same post may be reimbursed for an unavoidable lease penalty.

## **GLOSSARY**

### **SECTION I ABBREVIATIONS**

AE	Army in Europe
APF	appropriated fund
CG, USAREUR/7A	Commanding General, United States Army, Europe, and Seventh Army
CHRMA	USAREUR Civilian Human Resource Management Agency
CPAC	civilian personnel advisory center
CPD	Civilian Personnel Directorate, Office of the G1, HQ USAREUR/7A
CPOC	Civilian Personnel Operations Center
DFAS	Defense Finance and Accounting Service
DSSR	Department of State Standardized Regulations (Government Civilians, Foreign Areas)
G1	Deputy Chief of Staff, G1, USAREUR
HQ USAREUR/7A	Headquarters, United States Army, Europe, and Seventh Army
LQA	living quarters allowance
NAF	nonappropriated fund
POQ	privately owned quarters
SF	standard form
SMA	separate maintenance allowance
TQSA	temporary quarters subsistence allowance
USAREUR	United States Army, Europe

### **SECTION II TERMS**

#### **appointment**

An initial appointment, a conversion, a transfer, or a reinstatement.

#### **hard-to-fill position**

Positions validated and approved by the USAREUR Civilian Human Resource Management Agency (CHRMA) in coordination with organizational leadership that require employees with unique skills, knowledge, or abilities. These positions usually have a documented 3-month recruitment history that shows how difficult it is to find qualified employee candidates within a broad area of consideration. If positions are newly created or have no current recruitment record, the CHRMA will use documentation from similar positions in similar locations to evaluate the positions.

#### **local hire**

A person hired to fill a position who is physically residing in the country in which the position is located or in any other country outside the United States, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the former Canal Zone, or a possession of the United States. Local hires include but are not limited to locally separated military personnel; employees of a U.S. firm, organization, or interest; and employees of international organizations in which the U.S. Government participates.

#### **physical residency**

For the purpose of determining local-hire status, physical residence is the actual physical presence of an applicant overseas for more than merely a transitory or tourist purpose as finally determined by the proponent of this regulation, regardless of the applicant's home of record, legal residence, or domicile.

#### **U.S. hire**

A person who permanently resided in the United States, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the former Canal Zone, or a possession of the United States from the time he or she applied for employment until and including the date he or she accepted a formal job offer. The residence must have been for at least 1 year immediately before accepting a formal job offer. Employees serving on a mandatory mobility agreement are exempt from the 1-year residency requirement.